

## A-19 Calculation – School Ad Match Program (8/13/04 Draft)

For each Participant:

1. **Daily Rate** =  $\frac{\text{Annual Salary}^* + \text{Annual Benefits}^* + \text{Indirect Cost}^{**}}{\text{Contract Days}}$

*\*Districts must offset revenues (not include federal and other salary and benefit costs that can not be used as match for Medicaid funds.) \*\*Indirect Cost = Indirect rate x (salary + benefits)*

2. **Daily Cost per Act Code** = Average Percent of Time Spent in Activity Code X Daily Rate

3. **Quarterly Cost per Act Code** = Daily Cost per Activity Code X # of Days in the Quarter

*Note: At this point, a Participation Adjustment is applied if the participant does not have 5 time study days entered in the system. See details below.*

4. **Claimable Amount** = Quarterly Cost per Activity Code X MER Rate\* X Federal Financial Participation Rate (FFP)

*\* if applicable. The MER does not apply to codes 1b and 2b.*

5. **Code 10:** The amount claimed as Code 10 is prorated for reimbursement based on the percentage of time spent performing reimbursable Medicaid activities. The MER rate is not applied to the Code 10 reimbursement.

**Rate of Reimbursement of Code 10** =  $\frac{\text{Total Medicaid claimed hours over all time study days}}{\text{Total hours for 5 time study days}}$

### Example: Employee A performed ½ hour of Code 9b activities on each TS Day

Info: Salary = \$40,000, Benefits = \$8,000, Hours per day = 8, Days per year = 210, Time Study Days per quarter = 53, Indirect Rate = 15%, MER = 40%, FFP = 50%

1. **Daily Rate** =  $\frac{40,000 + 8,000 + 7,200^*}{210}$  = \$262.86

*\*Indirect Cost = .15 X 48,000*

2. **Daily Cost per Act Code 9b** = .0625\* x 262.86 = \$16.43

*\*.0625 = 2.5 total 9b hours/ 40 hrs reported\*\**

*\*\*40 hrs reported = 5 time study days X 8 hrs/day*

3. **Quarterly Cost per Act Code 9b** = 16.43 X 53 = \$870.79

4. **Claimable Amount** = 870.79 X .40 X .50 = \$174.16

5. **If Employee A reported a total of 2 hours of Code 10 over 5 time study days:**

Reimbursable Rate = 2.5 hours of Code 9b / 40 = .0625

Code 10: Daily Cost = 2/40 X 262.86 = 13.14

Quarterly Cost = 13.14 X 53 = \$696.42

Claimable Cost = 696.42 X .0625 = \$43.53

Claimable Amount = 43.53 X .50 = \$21.76

### Participation Adjustment

The participation adjustment assumes that no Medicaid related activities were performed on those time study days that time study forms were not turned in for. If the above employee reported ½ hour of Code 9b on 3 time study forms and did not turn in the other 2 forms, a participation adjustment is applied to the quarterly cost per account (Step 3). In this example, \$870.79 X 3/5 = \$522.47 is the Quarterly Cost per Activity Code after the participation adjustment.